Approved For Release 2005/07/20 : CIA-RDP79M00467A001300180003-6

29 MAR 1976

DIRECTOR OF CENTRAL INTELLIGENCE

Executive Registry
76-1026/2

Comptroller Control No. 76-0288 and 76-0217

Jack Iams — ?

The 2 memos you sent me on reorganization, and on Comptroller Responsibilities are very helpful. I am aware of the concern around the new CIA Deputy will help when he comes in — not too long now. Good food for thought. Thanx - GB

1/ STAT

I.23.1

REFERENCE -- Basic and /1. Subj: Thoughts on the Reorganization. CIA Comptroller Responsibilities in a New Organization Contex.

EXECUTIVE REGISTRY FILE I-23.1

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ed For Release 2005/07/20 : CIA-RDP79M00467A0013001

TRANSMITTAL SLIP	D[redacted] MAR 1976

TO: ER

ROOM NO.	BUILDING

REMARKS:

Basic is still in O/Sec

4/1/76

FROM: O/Comptroller

ROOM NO.	BUILDING	EXTENSION

FORM NO. 041 REPLACES FORM 36-8 (47)
1 FEB 55 WHICH MAY BE USED

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CONFIDENTIAL by mail COMPT 76-0288

5 MAR 1976

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76-1026/1

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24 Feb.
I-23.1

MEMORANDUM FOR: Director

FROM : John D. Iems
CIA Comptroller

SUBJECT : CIA Comptroller Responsibilities in a New Organizational Context

1. Since the issuance of the new Executive Order in mid-February, we have been attempting to think through how establishment of the new CFI will impact upon the handling of resource issues within CIA. We offered some tentative observations in a memo to you last week. I ask that you consider the following ideas as well.

2. To a substantial degree the future role of the CIA Comptroller will be shaped by forthcoming decisions on the detailed responsibilities of the Intelligence Community Staff. These in turn should be directly affected by the manner in which the CFI defines its job. Thus, while primary responsibility for staff work on the CFI and its detailed functioning must be the province of the IC Staff, I feel an obligation to share with you my views on how those arrangements ought to work in the future.

3. It seems to me that the IC Staff, somewhat paradoxically given its close relationship to CIA, has enjoyed somewhat lower acceptance within CIA than elsewhere in the Intelligence Community. This has arisen in my view from several factors, some real, some only perceived, some serious, and some petty. Among the most important of these, however, has been a sense that CIA, lacking a chief operating official separate from the DCI, has been unable to press its point of view effectively on issues where the IC Staff's advice is at variance with the views of the CIA deputies or others. In addition, there is a strong sense that the IC Staff has occasionally made controversial proposals on important subjects to the DCI, that decisions

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have been reached that have affected CIA in important ways, and that CIA has lacked a sense of participation in these decisions and an ability to put its case effectively.

4. These two points really come down to the same thing, poor communication. But whether these problems are real or not, they reflect perceptions and misunderstandings which must be overcome if your interests in seeing the CFI established as an effective mechanism are to be served.

5. Two thoughts are suggested by the above. First, the relationship between the IC Staff and CIA will be improved by the appointment of a CIA deputy who can act as a chief operating official of the Agency in most of the areas where the CFI/IC Staff's and the Agency's interests may come into conflict. This individual can serve as an effective advocate of the Agency's point of view on a wide variety of issues. It is not important that he may from time to time be overruled as you approach your responsibilities in a larger, Community context. It is the perception of his role by others which is crucial.

6. Second, giving each (i.e., not just the CIA Deputy Director) of the program managers an explicit role in the formulation of Community-wide approaches will draw them closer to an appreciation of your purposes and help them develop a sense of cooperation in others.

7. But these two steps will not themselves be enough. It is also crucial that the CFI have a clear and understandable concept of its institutional role, for this will directly affect how the IC Staff should define its mission and be staffed and organized. In this connection, a particularly critical issue facing the CFI right now is the definition of the roles of the three principals. As the NSC member has no real operational responsibility for any aspect of the Community's business, he should be inclined to think of himself as a member of a Community board of directors, rather than an advocate for any particular program. We have suggested to you that you will need to behave in a similar, ecumenical fashion if your objectivity towards all programs is to be established. (To do this, we suggest you consider the CIA deputy as the advocate of the Agency's program before the CFI, enabling you--supported by the IC Staff--to take an "objective" view.) A particular problem to the CFI's ability to function will be posed if the Defense member conceives of himself as in effect the "manager of the Defense program" rather than a member of a board of directors. If he sees himself

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in this light, he will probably need internal Defense staffing, and the IC Staff as a natural consequence will tend to be regarded as only the DCI's staff. If, on the other hand, he can be persuaded to take a broader responsibility, the IC Staff can more effectively function as staff to the whole CFI. How this problem is solved will have ramifications for all of us who will be involved in future debates on resource issues. If the CFI functions as an "above the battle" board of directors, it can be effectively staffed by an IC Staff which confines itself largely to issues stretching across the whole Community. This will produce a natural and understandable division of labor between the CFI and the Community Staff on the one hand, and the various Community program managers and their related budget staffs on the other. If, on the other hand, the members of the CFI see their roles as advocates of individual programs, the IC Staff will continue to be staff only to you as DCI; the Deputy Secretary of Defense will probably find that he requires separate Defense Department staffing; and much unproductive conflict will be generated between the IC Staff and the CIA Comptroller, as well as between the IC Staff and the Defense staff supporting Mr. Ellsworth.

/s/ John D. Iams

John D. Iams

cc: Mr. Lehman
Mr. Knoche

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